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C O N F I D E N T I A L SECTION 01 OF 03 SARAJEVO 001861

SIPDIS

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TAGS: [PREL](#) [PGOV](#) [PINR](#) [PHUM](#) [KDEM](#) [BK](#)  
SUBJECT: BOSNIA - CROAT COUNCIL PROPOSAL STRIKES A  
NATIONALIST NERVE

Classified By: Michael J. Murphy. Reasons 1.4 (b) and (d).

¶1. (C) SUMMARY: The Prime Ministers of the three Croat-majority cantons declared on December 9 that they intend to form an Inter-Cantonal Council by the end of December. The chairmen of the two parties that lead these cantons -- the Croatian Democratic Union (HDZ)-1990 and the Croatian Party of Rights (HSP), both of which suffered defeat in the October 5 municipal elections -- claim that their goal is a more effective lobby for Croat economic and political interests with the Federation government. Bosniaks, however, see this as a smokescreen for reconstituting the Croat "Self-Rule" movement of 2001. Indeed, the West Herzegovina Cantonal Assembly's Declaration in April, which called for the creation of this Council, outlined many of the same goals of the Self-Rule movement, including eliminating Federation institutions and legislation that "interfere" with cantonal competencies. Moreover, two of the leaders of this initiative could tell us very little about their concrete plans even as they pontificated ad nauseum about the lack of Croat cantonal rights. Bosniak parties -- as well as the leading Croat party, HDZ-BiH -- are skeptical that the Council will succeed due to constitutional impediments and the narrow public support for HDZ-1990 and HSP, but they are wary of the possibility of such an initiative driving a wedge between Bosniaks and Croats. END SUMMARY.

Election Losers Appeal to Nationalism  
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¶2. (SBU) The Prime Ministers of the three Croat-majority cantons -- Herzegovina-Neretva (Srecko Boras, HDZ-1990), West Herzegovina (Zvonko Jurisic, HSP), and Livno (Nediljko Rimac, HDZ-1990) -- announced on December 9 that they intend to form an Inter-Cantonal Council by the end of December. Party leaders from HDZ-1990 and HSP, both of which suffered defeat in the October 5 municipal elections, spearheaded this initiative. Following the announcement of the impending formation of the Council, Martin Raguz -- HDZ-1990 deputy chairman and president of the Inter-Cantonal Council in 2001 -- publicly stated that the two parties were constituting the Council in an effort to address the Federation budget deficit and privatization delays, the political crisis within the entity, and the perceived misallocation by the state-level government of funds owed to these three cantons. Raguz stressed that the Council could ensure attention to these issues through "structural changes, not mere reshuffling of government." Although Raguz publicly rejected the notion that the Council represents an attempt to create a Croat "third entity," media and political opponents are skeptical.

West Herzegovina Canton Forecasts Council

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¶3. (SBU) The Assembly of West Herzegovina Canton, a heavily Croat-dominated region, at its session in April adopted a "Declaration on the Constitutional and Legal Position of the West Herzegovina Canton." The Declaration declared -- inter alia -- that the Assembly would take "all available legal and political measures" to strengthen cantonal institutions, advocate the abolishment of Federation institutions and legislation that "interfere" with cantonal competencies, and establish an Inter-Cantonal Council. Contrary to Raguz's assertions about the Council's intended purpose, the Declaration focuses solely on buttressing cantonal powers and does not mention strengthening and streamlining the Federation government. The Council initiative follows Jurisic's recent proposal to unify West Herzegovina and Livno cantons, which media and Bosniak parties interpreted as an attempt to move toward a de facto third entity.

#### Alarmed Bosniaks React

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¶4. (SBU) The announcement of the impending Inter-Cantonal Council rattled cages within the Bosniak Party of Democratic Action (SDA) because a Council of the same name inaugurated the Croat Self-Rule movement in 2001. SDA accused HDZ-1990 and HSP of trying to create a de facto third entity and stressed that the Self-Rule movement did not succeed in 2001 even though the parties creating it were politically strong. (Note: The 2001 Inter-Cantonal Council did not pass any major decisions, and even its minor decisions were not

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implemented. End Note) SDA VP Bakir Izetbegovic opined publicly that the goal of the Council would be to "fight with the domestic and international forces that defend the state Constitution." He added that "we can very easily put (those responsible for creating the Council) where they belong -- in front of the Federation Constitutional Court." A Party for BiH (SBiH) official claimed that the Council will divide Croats and Bosniaks and "without a doubt" represents an attempt to create a third entity. The pro-Bosniak daily Dnevni Avaz pointed out that the goals of the Council -- providing a "framework for protecting the interests of the Croat people in Bosnia and ensuring the full constitutional equality of the Croat people" -- echo those of the Self-Rule movement, which professed not to recognize the Federation or state government.

#### Ljubic and Boras Stick to Their Guns

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¶5. (C) Srecko Boras and HDZ-1990 chairman Bozo Ljubic insisted to us that the Council was not a mask for a third entity movement. Boras, without providing details on the necessary steps to form the Council and specific projects it would undertake, stressed that the Council would be simply a "coordinating body" for Croat gripes against the Federation government. He added that the concept of a third entity "can be discussed in other circles -- maybe in the context of constitutional reform -- but not in the cantons." Ljubic stressed that the media manipulated the concept of the Council. He echoed Boras's comments about the Council as a coordinating mechanism, arguing that the Bosniaks had stymied earlier Croat initiatives to create informal institutions that would combine efforts on such key issues as health insurance. Ljubic emphasized that the Council would have no executive powers. He suggested that the formal creation of the Council would require the consent of the executive branches -- and probably parliaments -- of all three cantons.

#### Opponents Distance Themselves

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¶6. (C) HDZ-BiH chairman Dragan Covic dismissed the Council initiative to us as an attempt by his rivals to claw their

way back into a meaningful position in Croat politics by blatantly appealing to Croat nationalism. He predicted that their effort would come to naught (not least because they were "incompetent"). He opined that the Council project could benefit his party because his opponents would "finally do something on their own instead of constantly criticizing our party," and that that something "would fail." Publicly, Covic labeled the proposed Council "insane" and accused his HDZ-1990 and HSP rivals of dividing Croats by ignoring the needs of central Bosnian and Posavina Croats. Murat Coric (SDA), outgoing president of the Mostar City Council, shared Covic's view that HDZ-1990 and HSP are trying to regroup after their election loss, emphasizing that the Council would never garner the necessary support from its coalition partners in Mostar. He acknowledged that the canton PMs were within their legal right to form the Council but was not sanguine about its prospects for survival.

Comment

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17. (C) The initiative to create an Inter-Cantonal Council strikes us as a blatant attempt by HDZ-1990 and HSP to regain some political capital after an election loss by playing to extant nationalism, and the prospects of the initiative's survival are probably dim. The leaders of this movement, Raguz and Ljubic, lack the political clout and, most likely, the stamina and determination to carry out this project. Also, if Ljubic is right and forming this Council would require the endorsement of the governments of all three cantons, then the Bosniaks can use their political strength in Herzegovina-Neretva Canton to derail at least that canton's participation in the Council. Moreover, Covic forecasted to us the possible impending fall of the government in West Herzegovina Canton and the ouster of Jurisic, which would almost certainly present another major stumbling block to the Council. Finally, although the Federation Constitution allows for the creation of an Inter-Cantonal Council, it greatly limits the scope of its activities and excludes political agreements.

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18. (C) That said, this initiative and the discourse surrounding it have the potential to stymie the budding cooperation between Covic and SDA chairman Sulejman Tihic on the Prud Agreement and Federation and state government reforms. Our impression is that Herzegovinan Croats are inclined to interpret the Council as a down payment on a future Croat-majority entity -- no doubt HDZ-1990's political intent. Therefore, although legal and personality pitfalls may stifle this particular initiative, the sentiment -- coupled with growing popular discontent among Croats toward the Federation -- may lead to more concerning, and viable, Croat nationalist projects down the road, and, of course, angry Bosniak reactions to them.

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